

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AGREED-UPON PROCEDURES ENGAGEMENT  
OF THE  
LESLIE COUNTY  
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2005  
Through June 30, 2006**



**CRIT LUALLEN  
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Independent Accountant's Report

John R. Farris, Secretary, Finance and Administration Cabinet  
The Honorable James D. Wooton  
Leslie County Property Valuation Administrator  
Hyden, Kentucky 41749

We have performed the procedures enumerated below, which were agreed to by the Leslie County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for period July 1, 2005 through June 30, 2006. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Leslie County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2006), for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA did not maintain formal receipts or disbursement ledgers itemized by category. Because formal ledgers were not maintained, no bank reconciliations were prepared either.

*PVA's Response - Agree to maintain formal receipts/disbursements ledger in lieu of current system as recommended.*

2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

City receipts confirmed by the City of Hyden agreed to city payments documented by the PVA. In addition, the city payment to the PVA was properly traced to the PVA's bank account. The list of city receipts was complete.



John R. Farris, Secretary, Finance and Administration Cabinet  
The Honorable James D. Wooton  
Leslie County Property Valuation Administrator  
(Continued)

3. Procedure -

Confirm any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The budgeted statutory contribution from the fiscal court agreed to the legally required amount calculated by the Department of Revenue. In addition, the fiscal court's payment to the PVA was properly traced to the PVA's bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

With the exception of the following, all disbursements tested were supported with proper documentation:

- Disbursements to one vendor were documented by billing statements only.

*PVA's Response – Agree to maintain individual receipts for charges to support billing statements.*

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

The PVA purchased four office desks during the fiscal year. The auditor has verified the existence and location of these desks; however, the PVA has not added these assets to his Capital Asset Inventory List.

*PVA's Response - Agree to add to list.*

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Leslie County Property Valuation Administrator  
(Continued)

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

The PVA did not have any vehicle lease agreements, personal service contracts, or professional service contracts during the fiscal year.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

The PVA did not maintain a formal disbursements ledger; therefore, we were unable to apply this procedure.

*PVA's Response - Agree to maintain formal disbursements ledger.*

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if the PVA was sufficiently collateralized for the year and if a collateral agreement exists.

Finding -

FDIC insurance was sufficient to cover the PVA's deposits during the fiscal year. Additional collateral or a collateral security agreement was not necessary.

9. Procedure -

Determine whether timesheets are completed, maintained, and support hours worked.

Finding -

The attendance records maintained by the employees of the PVA's Office did not support hours worked.

*PVA's Response - Currently use electronic timekeeping system (ETS) as required by Kentucky Department of Revenue.*

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Leslie County Property Valuation Administrator  
(Continued)

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen  
Auditor of Public Accounts

May 25, 2007

